

CALIFORNIA ENERGY COMMISSION1516 NINTH STREET
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**STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION**

Implementation of Renewables Legislation (Public Utilities Code Sections 381, 383.5 and 399 [SB 1194, AB 995])))))	Docket No. 00-REN-1194 Committee Workshops Re: Renewable Investment Plan
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**NOTICE OF COMMITTEE WORKSHOPS ON
THE RENEWABLE INVESTMENT PLAN**

The California Energy Commission's Electricity and Natural Gas Committee will hold three workshops to gather input from stakeholders on the Renewable Investment Plan required by Senate Bill 1194 (SB 1194; Chp. 1050, Stats. 2000) and Assembly Bill 995 (AB 995; Chp. 1051, Stats. 2000). All workshops will be held at 10 a.m. at the following location:

CALIFORNIA ENERGY COMMISSION
First Floor, Hearing Room A
1516 Ninth Street
Sacramento, California
(Wheelchair accessible)

The dates and topics of the workshops are as follows:

Monday, October 30, 2000: Overview and Assisting Customer Investment Options
Tuesday, October 31, 2000: New and Existing Investment Options
Thursday, November 2, 2000: Consumer Education and Emerging Investment Options

Final agendas will be available at each workshop.

Background

On September 30, 2000, Governor Davis signed SB 1194 and AB 995. These bills extend the collection of a nonbypassable system benefit charge to support various public goods programs, including renewables, through January 1, 2012. The bills authorize collection of \$135 million per year for investing in renewable resources. The bills require the Energy Commission to create an investment plan with the long-term goal of a fully competitive and self-sustaining California renewable energy supply. According to the legislation, the investment plan's objective shall be to increase, in the near term, the quantity of California's electricity generated by in-state renewable energy resources, while protecting system reliability, fostering resource diversity, and obtaining the greatest environmental benefits for California residents. In addition, the plan shall also identify and support emerging renewable energy technologies that have the greatest near-term commercial promise and that merit targeted assistance.

The investment plan shall recommend funding allocations among the following:

- a. Production incentives for new renewable energy, including repowered or refurbished renewable energy
- b. Rebates, buydowns, or equivalent incentives for emerging renewable technologies
- c. Customer credits for renewables not under contract with a utility
- d. Customer education
- e. Incentives for reducing fuel costs that are confirmed to the satisfaction of the Energy Commission at solid fuel biomass energy facilities in order to provide demonstrable environmental and public benefits, including but not limited to, air quality
- f. Solar thermal generating resources that enhance the environmental value or reliability of the electricity system and that require financial assistance to remain economically viable, as determined by the Energy Commission
- g. Specified fuel cell technologies, if the Energy Commission makes all of the following findings:
 - The specified technologies have similar or better air pollutant characteristics than renewable technologies in the investment plan
 - The specified technologies require financial assistance to become commercially viable by reference to wholesale generation prices
 - The specified technologies could contribute significantly to the infrastructure development or other innovation required to meet the long-term objective of a self-sustaining, competitive supply of renewable energy
- h. Existing wind-generating resources, if the Energy Commission finds that the existing wind-generating resources are a cost-effective source of reliability and environmental benefits compared with other eligible sources, and that the existing wind-generating resources require financial assistance to remain economically viable, as determined by the Energy Commission

The investment plan shall also contain specific numerical targets reflecting the projected impact of the plan of the increased quantity of renewable generation both overall and from emerging technologies, as well as the increased supply of renewable generation available from facilities not under utility contracts entered into prior to 1996.

Workshop Questions

The Committee is seeking input from interested persons on the following questions. Many of the questions posed seek responses relative to the Commission's current Renewable Energy Program, established and administered pursuant to Senate Bill 90 (SB 90; Chp. 905, Stats. 1997). Parties are encouraged to comment on other aspects of the investment plan not specifically addressed by the questions below. The Committee recognizes that other issues may arise during the workshops. Additional questions will be considered as they arise.

Overall questions:

1. What should the funding allocation be among the eight categories listed above? Please justify your response in light of the eight allocation areas.
2. How should numerical targets for projected impacts be set? At what levels? How does the Commission measure progress towards attaining these targets?

3. Should the SB 1194/AB 995 program be administered through guidelines that may be adopted and revised in a streamlined manner, like the SB 90 program, or should the SB 1194/AB 995 program be administered through more formal regulations?
4. Are any changes in definitions of terms needed (e.g., “emerging,” “renewable”)?

Existing generating facilities:

5. What should the funding allocation be for existing wind and solar thermal generating facilities, for incentives to reduce fuel costs for biomass facilities? Should allocations for these areas be reduced or increased over time, or tied to any market conditions? If so, how?
6. Given the current SB 90 program design for these technologies, what changes or modifications do you suggest for the SB 1194/AB 995 program?
7. How should the current program for existing biomass, solar thermal and wind resources interact with the future program?
 - use SB 1194/AB 995 funds to continue the related parts of the SB 90 program?
 - transfer the related SB 90 funds into the SB 1194/AB 995 program and discontinue those SB 90 programs?
 - structure the SB 90 and SB 1194/AB 995 programs independent of each other?
8. How should incentives to reduce fuel costs for biomass be structured? Who should administer this structure? How does the Energy Commission ‘confirm’ these costs? How do we determine the demonstrable environmental benefits?
9. How do we determine whether solar thermal resources and/or existing wind resources require assistance to remain financially viable? That they provide the required benefits?

New generating facilities:

10. What should the funding allocation be for new generating facilities? Should allocations for these facilities be reduced or increased over time, or tied to any market conditions? If so, how can the link to market prices be implemented in the context of an auction?
11. Given the current SB 90 program design for new generating facilities, what changes or modifications do you suggest for the future program?
12. How should the current program for new technologies interact with the future program?
 - use SB 1194/AB 995 funds to continue the SB 90 program?
 - transfer the SB 90 funds into the SB 1194/AB 995 program and discontinue the SB 90 programs?
 - structure the SB 90 and SB 1194/AB 995 programs independent of each other?
13. Should methods other than production incentives be considered for providing assistance to new renewable generating facilities? If so, specify such methods.

Emerging technologies:

14. What should the funding allocation be for emerging technologies? Should allocations for these technologies be reduced or increased over time, or tied to any market conditions?
15. Given the current SB 90 program design for emerging technologies, what changes or modifications do you suggest for the future program?
16. How should the SB 90 program interact with the SB 1194/AB 955 program?
 - use SB 1194/AB 995 funds to continue the SB 90 program?

- transfer the SB 90 funds into the SB 1194/AB 995 program and discontinue the SB 90 programs?
 - have the SB 90 and SB 1194/AB 995 programs independent of each other?
17. How should the question of the impact of emerging non-renewable fuel cell technologies be addressed?

Customer credits:

18. What should the funding allocation be for customer credits?
19. Given the current SB 90 program design for customer credits, what changes or modifications do you suggest for the future program?
20. How should the current customer credit program interact with the SB 1194/AB 995 program?
- use SB 1194/AB 995 funds to continue the customer credit program?
 - transfer the SB 90 funds into the SB 1194/AB 995 program and discontinue the SB 90 programs?
 - have the SB 90 and SB 1194/AB 995 programs independent of each other?
21. Is a mandated state purchase of renewables appropriate? If so, how should this be accomplished? Through direct purchase of energy? Installation of renewable generation (e.g., PV) on site?
22. How should the customer credit component of the SB 1194/AB 995 program interact with other parts of the program, and with the SB 90 program? Should facilities receiving funding from other elements of the SB 1194/AB 995 program be eligible for customer credits under the program (i.e., should double dipping be a consideration)?
23. What are the implications for the green market of limiting customer credits to purchases of energy from projects not under contract to a utility?

Customer education:

24. What should the funding allocation be for customer education?
25. Given the current SB 90 program design for customer education, what changes or modifications do you suggest for the future program?
26. How should the current customer education program interact with the SB 1194/AB 995 program?
- use SB 1194/AB 995 funds to continue the SB 90 program?
 - transfer the SB 90 funds into the SB 1194/AB 995 program and discontinue the SB 90 programs?
 - have the SB 90 and SB 1194/AB 995 programs independent of each other?

Written Comments

Participants and any other interested members of the public should submit any written comments at the beginning of each workshop. Please bring enough copies for other participants (we suggest 50). Written comments submitted at the workshop must be filed with the Docket Office and will become part of the public record in this proceeding. Twelve copies of any written comments not submitted at the workshop must be sent or delivered to the Commission's Docket Unit **no later than 5 p.m. Friday, November 3,**

2000, and must include the Docket Number for this proceeding (00-REN-1194) on the cover page.
Please submit material to be docketed to:

California Energy Commission
Re: Docket No. 00-REN-1194
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5504

Comments may also be sent by e-mail to the Docket Office at: <DOCKET@energy.state.ca.us>.

Assistance

The Commission's Public Adviser provides assistance to the public regarding Commission procedures and participation in Commission activities. You may contact the Public Adviser's Office by phone at (916) 654-4489, toll-free in California at (800) 822-6228, by fax at (916) 654-4493, or by e-mail at <pao@energy.state.ca.us>. If you have a disability and require reasonable accommodation to participate, please contact Robert Sifuentes at (916) 654-5004 at least five days before the meeting. If you have technical questions regarding the content of this notice, you may contact Marwan Masri, Renewable Energy Program Manager, by phone at (916) 654-4531 or by e-mail at <mmasri@energy.state.ca.us>. News media inquiries should be directed to Claudia Chandler, Assistant Executive Director, at (916) 654-4989.

Dated: October 16, 2000

ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

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Commissioner and Presiding Member
Electricity and Natural Gas Committee

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